

5/017/043

**Martinique Mining Corporation**  
**P.O. Box 1688**  
**Carlin Nevada 89822**  
**775-754-2188**

**September 29<sup>th</sup>, 2004**

**To : Francis "Buzz" Rakow**  
**B.L.M. Henry Mountain Resource Area**  
**P.O. Box 99**  
**Hanksville, Utah 84734**  
**435-542-3461**

**From : Kim E. Wilson**  
**President / C.E.O.**  
**Martinique Mining Corp.**

**Subject : Amended Mine Reclamation Bond Estimate**  
**For the Crescent Creek / Henry Mt. Project**

**RECEIVED**  
**JUN - 1 2005**  
**DIV OF OIL GAS & MINING**

**Mr. Rakow,**

**Please accept our amended reclamations estimations forms for approval at your field office and the Richfield regional office for our reclamations bonding requirements on federal lands. We have amended the previous estimate due to our completion of various on going reclamations efforts in our project and notice of operations areas.**

**We have decided to scale back our notice areas, after considerations of budgetary and compliance issues for some of these outer lying permits we now hold. All fee's for claims and State permits have been paid for the year ahead in 2005.**

**We would like to exclude from this estimate of reclamation bond requirements our Barton's Peak, Butler Wash, and Mill'a Martinique notice of operations. We are actively finishing complete reclamation of Mill'a Martinique and will complete this project in October and early November. Barton's Peak and Butler Wash projects have no impact and are currently ready for final inspection.**

**Notice we intend to hold :**

**Gold Queen - Utah State DOGM file # S-17-00-35**  
**BLM file # UTU 71615**

**This is a small placer surface mine area known as "Million Dollar Gulch".**  
**Our surface disturbed area now only encompasses approximately .53 of an acre.**

**We have completed reclamations of over half of the previous disturbed area in the lower portion of the notice or permit area which included the previous permit holder mill site and pond area. Refer to figure # 2.**

**BLM reclamations Bonding amended estimate — — — Sept. 29,2004 cont.....**

**Gold Queen ...**

**Our estimate for the remaining upper portion of the permit at million Dollar gulch includes an equipment mobilization fee of \$500.00 and a 20 hour bulldozer rental at federal standards of \$95.00 per hour. Work for complete reclamation of the area will include grooming and re-slope of the existing mine operations extraction point, and re-seeding of the vegetation. The total for gold Queen would be \$, 2400.00**

**Crescent Creek / May Day mill Utah State DOGM file # S-17-00-43  
BLM file # UTU - 71638**

**This site is our primary processing area for our upper and lower property mines and ore bodies. At this site we have constructed and stored a small pilot test plant for testing purposes of property ores. Our last inspection yielded a State DOGM acreage survey for use area of 1.52 acres. Reclamation of this site would include, earthwork, heavy equipment loading and transports, a final reslope of the disturbed area and a complete re-seeding program. The site has been kept at a minimal impact disturbance, and for the past few years has been reduced in disturbance size and grooming and re-slope activities begun. Reclamation costs of the site include equipment transports: \$1,350.00, 5 yard front end loader rental to federal stands at \$85.00 per hour at an estimated 40 hours would be \$3,400.00. Equipment mobilization \$550.00. Site re-seed program estimated at 20 hours at \$30.00 per hour at 20 hours = \$500.00.**

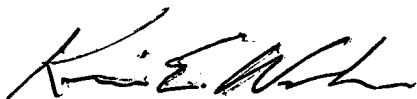
**Total site reclamation costs : \$5,800.00**

**Total project reclamation estimate for approval , after federal calculation sheet attached :**

**\$11,562.00**

**Please consider these final figures for our project for approval.**

**Thank you for your time and considerations.**



**Kim E. Wilson  
President - MMC**

**CC Tom Munsen Ut DOGM**

|   |                   |
|---|-------------------|
| D. STRUCTURE, EQUIPMENT <sup>1</sup> , MANPOWER <sup>2</sup> , EQUIPMENT MATERIALS<br>AND FACILITY REMOVAL \$ _____ \$ _____ \$ _____ | TOTAL<br>\$ _____ |
| E. SUBTOTAL - OPERATIONAL PROJECT COSTS<br>(A THROUGH D) \$ _____ \$ _____ \$ _____   | \$ 8,200.00       |
| F. CONTINGENCY <sup>4</sup>   | \$ 820.00         |
| G. INSURANCE <sup>5</sup><br>(ON SITE LIABILITY)  | \$ 123.00         |
| H. BOND <sup>6</sup><br>(PERFORMANCE AND PAYMENT)   | \$ 123.00         |
| I. PROFIT <sup>7</sup>  | \$ 820.00         |
| J. CONTRACT ADMINISTRATION <sup>8</sup>   | \$ 1,476.00       |
| K. GRAND TOTAL<br>(E THROUGH J)   | \$ 11,562.00      |

1. For Federal construction contracts, Davis-Bacon wage rates are required. Wage rates also contain Federal Insurance Corporation of America (FICA), State Industrial Insurance System (SIIS) and other required coverage and benefits covering the workforce. If the quoted hourly rates contain FICA, SIIS, Davis-Bacon wage rates, insurance bond premiums and profits, the operator may sign a statement under penalty of USC 1001, that the above listed rates contain these items and that itemization of these costs are therefore not necessary.

2. Miscellaneous items should be itemized on accompanying worksheets.

3. Calculate and use only when mineral processing activities are involved. Fluid management represents the costs of maintaining proper fluid management to prevent overflow of solution ponds through premature cessation or abandonment of operations. Calculate a six month direct cost estimate which includes power, supplies, equipment, labor and maintenance.

4. A contingency cost is included in the reclamation cost estimation to provide for project uncertainties and unexpected natural events. Calculate the contingency cost as a percentage of the operational project costs as follows: up to and including \$500,000, use 10%; over \$500,000 to \$5 million, use 8%; over \$5 million to \$50 million, use 6%; and greater than \$50 million, use 4%.

5. Insurance premiums are calculated at 1.5% of the total labor costs. Enter the premium amount only on this line.

6. Federal construction contracts exceeding \$25,000 require both a performance and a payment bond (Miller Act, 40 USC 270 ~~et seq.~~). Each bond premium is figured at 1.5% of the total project costs. Enter the sum of both premium costs on this line.

7. For Federal construction contracts, use 10% of estimated project costs.

8. For Federal construction contracts, use 18% of project costs for estimates up to and including \$1 million. Use 14% of estimated project costs over \$1 million to \$25 million and 10% of estimated project costs over \$25 million.

The source of the equipment cost estimate is (Caterpillar Performance Handbook, contractor's estimate).